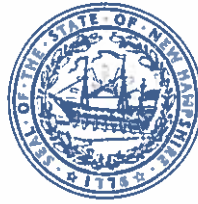


William F. Dwyer
STATE TREASURER



THE STATE OF NEW HAMPSHIRE
STATE TREASURY

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February 23, 2017

Honorable Chuck Morse
President of the Senate
Honorable Shawn Jasper
Speaker of the House

Dear Senator Morse and Speaker Jasper:

Attached is the debt affordability study for fiscal year 2016 prepared by the State Treasury and Public Resources Advisory Group, the State's financial advisor. In developing this year's study we have examined the impact of debt issuance and economic projections affecting the State's net tax-supported debt ratios. Please note that this study focuses on net tax-supported (General Fund unrestricted) debt outstanding and does not consider debt repaid with Highway Funds or other self-supporting debt with a dedicated revenue source.

The Base Case presented on page 3 of the study recommends maintaining the level of bonding levels authorized for the current biennium (\$125 million), followed by a reduction of \$5 million in biennial capital project General Obligation bonding beginning with the 2020-21 biennium. Therefore this analysis continues the recommendations made in the study prepared last year by proposing the following biennial authorizations: 2018-19 (\$125 million), 2020-21 (\$120 million), and 2022-23 (\$120 million). On the revenue side, I have used the estimates recently presented in Governor Sununu's 2018-19 operating budget, including the projection for fiscal year 2017. Based on strong General Fund unrestricted revenue performance during the 2016-17 biennium (+9.4% FY16 over FY15), I have maintained the Base Case annual revenue growth rate at 2.0% for fiscal years 2020 through 2023, identical to the 2.0% assumption used in last year's study but still lower than the 2.5% growth rate assumed in prior years. The combination of these assumptions produces a 1.5% compound annual growth rate in revenue for 2017-2023.

The recommended amounts of new net General Fund debt in fiscal years 2018 through 2023 would include any new authorizations for capital needs to be bonded and paid from General Fund unrestricted revenues. Also reflected in the attached analysis are the continued effect of the issuance of \$131 million in school building aid debt in fiscal years 2010 and 2011 (debt service funded by an allocation of Meals & Rooms Tax revenues to the Education Trust Fund) and the re-characterization of Medicaid Enhancement Tax revenue from unrestricted to restricted, pursuant to the State's settlement with hospitals and care providers as prescribed in 2014 SB 369.

Sensitivity 1, found on page 10 of the study, assumes the same debt issuance as in the base case but assumes a 1% annual revenue decline beginning in fiscal year 2018. The purpose of this alternative scenario is to examine how an unexpected reversal of recent revenue outperformance might impact the State's borrowing capacity. Sensitivity 2 on page 12 of the study assumes the same debt issuance and revenue growth assumed in the base case but increases

the interest rate by one percentage point to 6% beginning in fiscal year 2018. Both of these sensitivity analyses project that the State's debt service to revenue ratio is expected to remain below 7% beyond fiscal year 2016, well below the 10% statutorily prescribed limit (RSA 6-C:2) and rating agency warning threshold. Please note that from 2000 to 2010 this debt service ratio averaged 6.13%, a level that the Base Case could reach in fiscal year 2018 using these modestly declining net tax-supported debt authorization recommendations and the revenue assumptions described above.

Lastly, we have presented on page 13 a final scenario to highlight the impact of state guaranteed debt combined with a 1% annual decline in revenue beginning in fiscal year 2018. In the very worst case (and unlikely) scenario in which the State would be required to assume all guarantee liabilities in a declining revenue environment, the debt service to revenue ratio would never exceed 8% during this time period. The debt affordability ratios are clearly impacted by accounting for guaranteed debt in this scenario, a sensitivity worth evaluating for credit strength purposes. While difficult to quantify from a ratings standpoint, the level of guaranteed debt does not presently impact the State's credit rating, in part due to the prior success of State guarantee programs.

The general funded debt service to unrestricted General Fund revenues ratio is the metric most closely monitored by the rating agencies and policymakers as the best barometer of debt affordability levels. This analysis indicates that the State's debt service to unrestricted revenue ratio, while presently inflated above recent historical levels (2000-2010), remains manageable under the Base Case scenario, while projecting to trend back toward, and even below, those historical levels using the assumptions presented here. The primary benefits of maintaining lower bonding levels are: 1) budgetary flexibility to address unanticipated borrowing or operating needs, and; 2) better financial positioning to absorb debt service associated with State debt guarantees made in support of local economic expansion.

I am available to discuss this analysis in more detail with you at any time.

Respectfully,



William F. Dwyer
State Treasurer

Attachments

Cc:

Honorable Christopher T. Sununu, Governor
Representative Neal Kurk, Chair, House Finance Committee
Representative Gene Chandler, Chair, House Public Works and Highways
Senator Gary Daniels, Chair, Senate Finance Committee
Senator Lou D'Allesandro, Chair, Senate Capital Budget Committee
Vicki V. Quiram, Commissioner, Department of Administrative Services
Michael W. Kane, Legislative Budget Assistant

Public Resources Advisory Group

39 Broadway, Suite 1210

■ New York, New York 10006-2908 ■

(212) 566-7800

MEMORANDUM TO: The Honorable William Dwyer
Treasurer
State of New Hampshire

FROM: Public Resources Advisory Group ("PRAG")

SUBJECT: Debt Affordability Study Update

DATE: February 23, 2017

As requested, we have updated the debt affordability study for the State of New Hampshire. This study analyzes only net General Fund debt outstanding at June 30, 2016. The school building aid bonds are included in the study. The rating agencies opine that the State has "manageable debt levels with debt ratios well below Moody's 50-state medians" (Moody's Investors Service report dated November 14, 2016) "The state's tax-supported debt is moderate" (Standard & Poor's report dated November 10, 2016) and "debt and pension liabilities are low... and (debt) amortization is rapid" (Fitch Ratings report dated November 14, 2016). Thus, the credit agencies recognize the State's fiscal prudence in regard to debt.

In this debt affordability study update, the term "Sensitivities" refers to the changes in assumptions related to General Fund unrestricted revenue growth and increased borrowing costs (Sensitivity 1 and 2, respectively). The term "Cases" refers to alternate scenarios in the event that the State is required to take on debt guarantees, as presented on pages 4 and 5 of this update.

Assumptions

The following assumptions were used in preparing the base case analysis that projects the State's future debt ratios:

1. Net general obligation debt of \$64.485 million issued in fiscal year 2017 (\$50.93 million Refunding Bonds refunded \$53.775 million of outstanding Bonds, \$63.43 million of New Money Bonds, all issued in November 2016, and \$3.9 million issued in July 2016).
2. \$62.5 million of tax-exempt general obligation debt to be issued in fiscal years 2018 and 2019 and \$60 million in each of fiscal years 2020 through 2023. Each issue is assumed to be amortized over 20 years and carry an interest rate of 5.00%, with 60% of principal amortized in equal annual installments over the first ten years and 40% in equal annual installments over the remaining ten years. Future net tax-supported GO debt issuance includes the biennial authorizations for the University System of New Hampshire, however this analysis does not attempt to separately estimate specific USNH authorization amounts for fiscal years 2018 through 2023.
3. General Fund Unrestricted Revenues reflect actual revenues for fiscal year 2016 with the Education Trust Fund portion of meals and room tax revenues designated for the debt service of school building aid included; revenue projections for fiscal years 2017-2019 are derived from the Governor's budget and average annual growth for General Fund Unrestricted Revenues of 2.0% is assumed for fiscal years 2020 through 2023.

Public Resources Advisory Group

4. Total personal income is based on the U.S. Department of Commerce, Bureau of Economic Analysis 2015 figure of \$74,388 million and is projected to grow at an average annual rate of 3.6%.
5. Population is based on the U.S. Census Bureau 2016 figure of 1,334,795 and is projected to grow at an average annual rate of 0.2% per year.

We have also projected the State's debt ratios including certain State guaranteed debt. In doing so, we have made the following assumptions:

1. State guaranteed debt consists of debt issued for local Superfund sites, Business Finance Authority ("BFA"), and Pease Development Authority ("PDA"). The analysis excludes State guaranteed debt issued for water pollution control, local schools (but does not exclude QSCBs) and local landfills.
2. Future issuances of State guaranteed debt are assumed to be as follows:

Expected Issuances of State Guaranteed Debt		
Fiscal Year	Dollar Amount	Purpose
2018	\$34,840,000	Superfund, BFA, Pease
2019	34,840,000	Superfund, BFA, Pease
2020	34,740,000	Superfund, BFA, Pease
2021	11,840,000	BFA
2022	11,840,000	BFA

3. New State guaranteed debt is assumed to be taxable with level debt service over 20 years at an average interest rate of 6.00%.
4. An analysis of each case is contained in the Appendix to this report.

Effect of General Obligation Debt Issuance on Debt Ratios

The Base Case (page 3 of the study) shows the effect on the State's debt ratios, based on the above assumptions including the issuance of \$62.5 million of tax-exempt general obligation debt in each of fiscal years 2018 and 2019 and \$60.0 million in each of fiscal years 2020 through 2023. Combining these issuances and repayments of outstanding debt, the total issuance is approximately \$42.67 million less than retirements over the fiscal years 2017 through 2023, causing the State's net general fund debt to decrease from \$693.732 million at June 30, 2016 to \$651.062 million at June 30, 2023, a total decrease of \$42.67 million or 6.15%.

Presently, New Hampshire's ratios of debt to personal income and debt per capita are significantly below the 2016 Moody's medians for states. New Hampshire's net general fund debt service to revenues ratio at 7.3% for fiscal year 2016 was higher than the median of 4.3% but well below the level that credit analysts use as a warning sign of excessive debt service burden of 10.0%, which is also the State's statutorily prescribed limit (RSA 6-C:2). By issuing general obligation debt over the projected period in the amounts identified above, New Hampshire's debt ratios would remain well under the 2016 Moody's medians for states except for the debt service to revenues ratio, as summarized in the following chart:

Summary of Debt Ratios for Net General Fund Debt

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	Moody's Median	New Hampshire	
	2016	June 30, 2016	June 30, 2023 Est.
Debt to Personal Income	2.5%	0.9%	0.7%
Debt Per Capita	\$1,025	\$520	\$481
Debt Service to Revenues	4.3%*	7.3%	5.0%

* Ten percent is rule of thumb used by rating agency analysts as a warning level that should not be exceeded, as a greater relative amount would place too heavy a fixed cost burden on the budget, thereby limiting fiscal flexibility.

As can be seen, the ratio of debt service to revenues is projected to decrease to 5.0% at June 30, 2023. Debt to personal income would decline over the period from 0.9% at June 30, 2016 to 0.7% at June 30, 2023 and debt per capita would decline from \$520 to \$481. These ratios relative to Moody's medians form the basis for an assessment of the weight of the State's debt position.

Sensitivity Analyses: Effects of Declining Revenues and Higher Interest Rates

Given the uncertainty regarding the economy and the markets, it is difficult to make forecasts. Accordingly, a sensitivity case for General Fund unrestricted revenues was developed, assuming revenue declines of 1.0% in each fiscal year 2018 through 2023. Under these assumptions, New Hampshire's debt ratios would change as summarized in the chart below:

Debt Ratios Assuming Revenue Declines 1% FY 2018-2023					
Summary of Debt Ratios for Net General Fund Debt					
	Moody's Median	New Hampshire			
		Base Case		Declining Revenue Assumption	
		2016	FY 2016	FY 2023 Est.	FY 2016
Debt to Personal Income	2.5%	0.9%	0.7%	0.9%	0.7%
Debt Per Capita	\$1,025	\$520	\$481	\$520	\$481
Debt Service to Revenues	4.3%*	7.3%	5.0%	7.3%	6.1%

With declining revenue, the ratio of debt service to revenues would decrease from 7.3% for fiscal year 2016 to 6.1% for fiscal year 2023, compared to 5.0% in the Base Case. At the 6.1% level, this ratio would be still well below the 10.0% rule of thumb. Other ratios would not change since the amount of bonds issued would not change. (The details of this analysis are shown on pages 10-11 of the study).

A second sensitivity analysis was developed with regard to different market rates. It assumes that tax-exempt interest rates increase by 100 basis points. The results are as follows:

Debt Ratios Assuming Increased Tax-Exempt Rates					
Summary of Debt Ratios for Net General Fund Debt					
	Moody's Median	New Hampshire			
		Base Case		1% Interest Rate Increase	
		2016	FY 2016	FY 2023 Est.	FY 2016
Debt to Personal Income	2.5%	0.9%	0.7%	0.9%	0.7%
Debt Per Capita	\$1,025	\$520	\$481	\$520	\$481
Debt Service to Revenues	4.3%*	7.3%	5.0%	7.3%	5.2%

* Ten percent is a rule of thumb used by rating agency analysts as a warning level that should not be exceeded, as a greater relative amount would place too heavy a fixed cost burden on the budget, thereby limiting fiscal flexibility.

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The ratio of debt service to revenues would decrease from 7.3% in fiscal year 2016 in the Base Case to 5.2% for fiscal year 2023, well below the 10% rule of thumb, although it would remain over 6.0% in fiscal years 2017 through 2020. Other ratios would not change since the amount of bonds issued would not change. (The details of this analysis are shown on pages 12 and 13 of the analysis).

Effect of State Guarantees on Debt Ratios

Page 4 of the study shows the effect of State guarantees on New Hampshire's debt ratios in the Base Case. For this analysis there was \$79.1 million of outstanding guaranteed debt at June 30, 2016, which added to the State's net General Fund debt bringing the total to \$772.8 million, as shown in the table below:

Net General Fund and Guaranteed Debt at June 30, 2016	
	<i>(\$ in millions)</i>
Net General Fund Debt	\$693.7
Guaranteed Debt	
Business Finance Authority	55.0
Qualified School Construction Bonds (QSCBs)	24.1
Total Guaranteed Debt	<u>\$79.1</u>
Total Net General Fund and Guaranteed Debt	<u>\$772.8</u>

There is approximately \$128.1 million of authorized but unissued State guaranteed debt at June 30, 2016, as shown in the table below:

Authorized But Unissued State Guaranteed Debt at June 30, 2016	
Purpose	Amount
	<i>(\$ in millions)</i>
Local Superfund Sites	\$20.0
Business Finance Authority	59.2
Pease Development Authority	<u>48.9</u>
Total	<u>\$128.1</u>

For this scenario, we assumed that the Business Finance Authority would issue \$11.84 million in each of fiscal years 2018 through 2022; Pease Development Authority would issue \$16.3 million in each of fiscal years 2018 through 2020; and the Local Superfund would issue \$6.7 million in each of fiscal years 2018 and 2019 and \$6.6 million in fiscal year 2020.

The table below compares the ratios in three cases. The first case is the Base Case, without guaranteed debt. The second case (Case 2 in the table below), which is a more pessimistic scenario shown on page 4 of the study, includes all the outstanding and additional debt issuances for State guaranteed debt described above. In this second case, the State's exposure would reach approximately \$844.0 million at June 30, 2023, which is \$166.0 million more than the net General Fund debt expected to remain outstanding at that time (Base Case). The last "worst case" (Case 3 in the table below) scenario combines outstanding and additional issuances of State guaranteed debt with a declining revenue assumption (Sensitivity 1), shown in the study on page 14. The resulting debt ratios are summarized in the chart below:

Summary of Debt Ratios Including State Guaranteed Debt New Hampshire

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	Including Guaranteed Debt						
	Moody's Median	Case 1 (Base Case) Net General Fund Debt		Case 2 All Guaranteed Debt		Case 3 All Guaranteed Debt and Declining Revenues	
		2016	FY 2016	FY 2023 Est.	FY 2016	FY 2023 Est.	FY 2016
Total Debt Outstanding (000,000)	---	\$694	\$651	\$773	\$817	\$773	\$817
Debt to Personal Income	2.5%	0.9%	0.7%	1.0%	0.8%	1.0%	0.8%
Debt Per Capita	\$1,025	\$520	\$481	\$579	\$604	\$579	\$604
Debt Service to Revenues	4.3%*	7.3%	5.0%	7.8%	6.1%	7.8%	7.3%

* Ten percent is a rule of thumb used by rating agency analysts as a warning level that should not be exceeded, as a greater relative amount would place too heavy a fixed cost burden on the budget, thereby limiting fiscal flexibility.

As would be expected, all debt ratios rise as a result of additional State guaranteed debt issuances. At June 30, 2023, the State's debt to personal income would be 0.8% in Case 2 as opposed to 0.7% in the Base Case. Debt per capita would be \$604 in Case 2 versus \$481 in the Base Case; and debt service to revenues would 6.1% compared to 5.0% in the Base Case while reaching 7.1% in fiscal year 2019 and 7.2% in 2020. With an assumption of declining revenues added to Case 2, the "worst case" scenario, debt service to revenue ratio increases to 7.3% in fiscal year 2023 while reaching 7.6% in fiscal year 2019 and 7.9% in fiscal year 2020. Debt per capita and debt to personal income ratio would remain below the 2016 Moody's medians in all cases.

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Conclusion

The State's debt ratios are considered "manageable" to "low" by the rating agencies. If the State issues a total of \$429 million of new general obligation debt in fiscal years 2018 through 2023, as outlined above, the amount of debt outstanding would fall over the period, as old debt is retired, and the effect on the debt ratios would be as follows: debt to personal income would decrease from the current level of 0.9% to 0.7% at the end of fiscal year 2023; debt service to revenues would decrease from 7.3% to 5.0% at June 30, 2023; and debt per capita would decline from \$520 to \$481. At these levels, the debt ratios would not only remain "manageable", but would, in fact, improve.

Sensitivity analyses show that with declining revenues (1% per year) the debt service to revenue ratio would be 6.1% in fiscal year 2023, above the 5.0% level in the Base Case, and it would be 5.2% in the scenario with increased interest rates. At these levels, the debt service to revenue ratios in the two sensitivity cases would still be well below the warning level for excessive debt service burden of 10%.

When existing and additional State guaranteed debt are added to the Base Case scenario, debt to personal income is projected to decline from the fiscal year 2016 level of 1.0% to 0.8% in fiscal year 2023, debt per capita is projected to increase from \$579 in fiscal year 2016 to \$604 in fiscal year 2023 and debt service to revenues ratio is forecast to decline from 7.8% in fiscal year 2016 to 6.1% in fiscal year 2023. Under the "worst case" scenario of declining General Fund unrestricted revenues and the addition of State guaranteed debt, the projected ratio of debt service to revenues would rise from the projected Base Case level of 5.0% in fiscal year 2023 to 7.3%.

The State's ratio of debt service to revenues remains above the Moody's median level and should be monitored so corrective actions can be taken if revenue growth falls below projections. This becomes particularly important if the 10% "warning level" is approached. At this time, however, there are no concerns, as this ratio is projected to decline over the projected period through fiscal year 2023 and to remain well below 10%.

**THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update**

Appendix -- Analytic Summary

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THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Assumptions to Base Case - Issuance of \$62.5 Million Annually in FY 2018-19 and \$60 Million Annually in FY 2020-23
School Building Aid Bonds Included

- (1) Includes issuance of \$50.93 million Refunding Bonds (to refund \$53.775 million of outstanding GO bonds), \$63.43 million of New Money Bonds in November 2016, and \$3.9 million of New Money Bonds in July 2016, resulting in General Fund net issuance of \$64.485 million.
- (2) \$62.5 million of current interest bonds issued annually in FY 2018 and 2019 and \$60 million annually in FY 2020 through 2023 at an interest rate of 5%, with 60% of the principal amortized in equal payments over the first ten years and 40% of the principal amortized in equal payments over the remaining ten years.
- (3) Ending Outstanding Debt represents total net General Fund Debt to be paid from General Fund Unrestricted Revenues and includes school building aid debt paid for the Education Trust Fund ("ETF") M&R tax revenue allocation.
- (4) General Fund Unrestricted Revenues reflect actual revenues for FY 2016, with the ETF portion of meals and room tax revenues designated for the debt service on school building aid bonds added; revenue projections for FY 2017 through 2019 are derived from Governor's budget. Revenues are assumed to 2.0% in each of fiscal years 2020 through 2023.
- (5) Total Personal Income - source: U.S. Department of Commerce, Bureau of Economic Analysis for 2015 figure of \$74,388 r Assumes 3.6% growth annually thereafter
- (6) Population source: U.S. Census Bureau 2016 figure of 1,334,795. Assume 0.2% growth annually thereafter.
- (7) For certain sensitivities, state guaranteed debt that is added to Net General Fund Debt includes the outstanding \$24.1 million of Qualified School Construction Bonds (QSCBs) and BFA debt totalling \$55.0 million at June 30, 2016.
- (8) Debt Service includes State guaranteed debt outstanding or to be issued for the following: local Superfund sites, BFA, and PDA . Excludes water pollution control, local landfills and local school guaranteed debt (with exception of QSCBs). Assumes level debt service over 20 years at 6.00% for net State guaranteed debt.
\$34.84 million is issued in each of FY 2018 and 2019, \$37.74 million in 2020 and \$11.84 million in each of FY 2021 and 2022.
Estimated authorized but unissued State guaranteed debt of \$128.1 million includes:
\$20 million for local Superfund sites; \$59.2 million for BFA and \$48.9 million for Pease.

Footnotes on the attached charts refer to the assumptions above.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Base Case: Issuance of \$62.5 Million Annually in FY 2018-19 and \$60 Million Annually in FY 2020-23
School Building Aid Bonds Included

	Actual 2016	Projected 2017	2018	2019	2020	2021	2022	2023	TOTAL 2017-2023
Net General Fund Debt (000's)									
Beginning Outstanding		\$693,732	\$691,765	\$686,389	\$676,059	\$662,679	\$656,270	\$650,873	\$650,873
Issuances (1)(2)		\$64,485	\$62,500	\$62,500	\$60,000	\$60,000	\$60,000	\$60,000	\$429,485
Retirements:		66,452	67,876	69,080	65,880	55,310	50,697	41,511	416,805
Existing Debt (1)		0	0	3,750	7,500	11,100	14,700	18,300	55,350
New Debt (2)		0	0	0	0	0	0	0	0
Total Retirements		\$66,452	\$67,876	\$72,830	\$73,380	\$66,410	\$65,397	\$59,811	\$472,155
Net New Debt		(\$1,967)	(\$5,376)	(\$10,330)	(\$13,380)	(\$6,410)	(\$5,397)	\$189	(\$42,670)
Ending Outstanding (3)	693,732	\$691,765	\$686,389	\$676,059	\$662,679	\$656,270	\$650,873	\$651,062	(\$42,670)
Existing Debt Service (000's) (1)	\$112,780	\$97,567	\$93,679	\$91,534	\$85,110	\$71,601	\$64,745	\$53,276	\$53,276
New Debt Service (000's) (2)	0	0	1,563	\$8,344	14,875	21,010	26,965	32,740	32,740
Total Debt Service (000's)	\$112,780	\$97,567	\$95,241	\$99,878	\$99,985	\$92,611	\$91,710	\$86,016	\$86,016
General Fund Unrestricted Revenues (000's)(4)	\$1,541,952	\$1,513,928	\$1,551,011	\$1,584,603	\$1,615,644	\$1,644,549	\$1,677,032	\$1,709,370	\$1,709,370
Debt Service as a Percent of Revenues	7.3%	6.4%	6.1%	6.3%	6.2%	5.6%	5.5%	5.0%	5.0%
Total Personal Income (000,000's) (5)	77,066	79,840	82,715	85,692	88,777	91,973	95,284	98,714	98,714
Debt to Personal Income	0.9%	0.9%	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%
Population (000's) (6)	1,335	1,337	1,340	1,343	1,346	1,348	1,351	1,354	1,354
Debt Per Capita	\$520	\$517	\$512	\$503	\$493	\$487	\$482	\$481	\$481

Footnotes explained on page 2.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Effect of State Guaranteed Bonds on Debt Ratios - Base Case

	Actual 2016	Projected					TOTAL 2017-2023	
		2017	2018	2019	2020	2021		2022
Net General Fund Debt (000's)		\$772,796	\$767,684	\$792,999	\$812,295	\$827,315	\$825,835	\$824,775
Beginning Outstanding (7) (8)		\$64,485	\$62,500	\$62,500	\$60,000	\$60,000	\$60,000	\$60,000
G.O. Issuances		0	34,840	34,840	34,740	11,840	11,840	0
State Guaranteed Issuances (7) (8)		66,482	67,876	72,830	73,380	66,410	65,997	59,811
Retirements G.O. Debt		3,145	4,149	5,214	6,339	6,910	7,504	7,823
State Guaranteed Debt (8)		\$69,597	\$72,025	\$78,044	\$79,719	\$73,320	\$72,901	\$67,634
Total Retirements		(\$5,112)	\$25,315	\$19,296	\$15,021	(\$1,480)	(\$1,061)	(\$7,634)
Net New Debt		\$772,796	\$792,999	\$812,295	\$827,315	\$825,835	\$824,775	\$817,141
Ending Outstanding		\$112,780	\$95,241	\$99,878	\$99,985	\$92,611	\$91,710	\$86,016
G.O. Debt Service (000's)		7,858	10,097	13,017	15,927	16,841	17,744	17,627
State Guaranteed Debt Service (000's) (8)		120,638	105,339	112,895	115,912	109,452	109,454	103,642
Total Debt Service (000's)		\$1,541,952	\$1,551,011	\$1,584,803	\$1,615,644	\$1,644,549	\$1,677,032	\$1,709,370
General Fund Unrestricted Revenues (000's) (4)		7.8%	6.9%	7.1%	7.2%	6.7%	6.5%	6.1%
Debt Service as a Percent of Revenues		\$77,066	\$82,715	\$85,692	\$88,777	\$91,973	\$95,284	\$98,714
Total Personal Income (000,000's) (5)		1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.8%
Debt to Personal Income		1,335	1,340	1,343	1,346	1,348	1,351	1,354
Population (000's) (6)		\$579	\$592	\$605	\$615	\$613	\$611	\$604
Debt Per Capita								

Footnotes explained on page 2.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Debt Service on Outstanding General Obligation Debt

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Principal Repayments</u>							
General Fund	41,085,334	42,635,770	42,782,286	40,749,980	35,602,676	31,644,419	27,492,890
University System Appropriated	16,602,867	16,465,428	17,511,090	16,331,154	13,659,267	13,004,513	8,769,866
School Building Aid	8,763,345	8,774,759	8,786,668	8,796,826	6,048,000	6,048,000	5,248,000
Total Repayments	66,451,546	67,875,957	69,080,045	65,879,960	55,309,943	50,696,933	41,510,756
<u>Interest Payments</u>							
General Fund	19,818,412	16,367,666	14,299,279	12,291,351	10,496,522	9,056,824	7,585,093
University System Appropriated	7,332,217	5,898,418	5,039,087	4,246,809	3,530,225	2,968,669	2,399,440
School Building Aid	3,965,016	3,536,682	3,115,892	2,691,625	2,263,872	2,022,192	1,780,512
Total Payments	31,115,645	25,802,765	22,454,258	19,229,785	16,290,619	14,047,685	11,765,045
<u>Total Debt Service Payments</u>							
General Fund	60,903,745	59,003,436	57,081,565	53,041,331	46,099,197	40,701,243	35,077,983
University System Appropriated	23,935,084	22,363,846	22,550,177	20,577,963	17,189,492	15,973,182	11,169,306
School Building Aid	12,728,361	12,311,441	11,902,560	11,490,451	8,311,872	8,070,192	7,028,512
Total Debt Service	97,567,190	93,678,722	91,534,302	85,109,745	71,600,561	64,744,617	53,275,802

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Debt Service on New General Obligation Debt

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Debt Issued in FY2017</u>							
Current Interest Bonds	0	0	0	0	0	0	0
Outstanding	0	0	0	0	0	0	0
Principal Payments	0	0	0	0	0	0	0
Interest Payments	0	0	0	0	0	0	0
Total Debt Service	0	0	0	0	0	0	0
<u>Debt Issued in FY2018</u>							
Current Interest Bonds		62,500	58,750	55,000	51,250	47,500	43,750
Outstanding		0	3,750	3,750	3,750	3,750	3,750
Principal Payments		1,563	3,031	2,844	2,656	2,469	2,281
Interest Payments		1,563	6,781	6,594	6,406	6,219	6,031
Total Debt Service							
<u>Debt Issued in FY2019</u>							
Current Interest Bonds		62,500	62,500	58,750	55,000	51,250	47,500
Outstanding		0	0	3,750	3,750	3,750	3,750
Principal Payments		1,563	1,563	3,031	2,844	2,656	2,469
Interest Payments		0	1,563	6,781	6,594	6,406	6,219
Total Debt Service							
<u>Debt Issued in FY2020</u>							
Current Interest Bonds		0	0	60,000	56,400	52,800	49,200
Outstanding		0	0	0	3,600	3,600	3,600
Principal Payments		0	0	1,500	2,910	2,730	2,550
Interest Payments		0	0	1,500	6,510	6,330	6,150
Total Debt Service							
<u>Debt Issued in FY2021</u>							
Current Interest Bonds		0	0	60,000	56,400	52,800	49,200
Outstanding		0	0	0	3,600	3,600	3,600
Principal Payments		0	0	1,500	2,910	2,730	2,550
Interest Payments		0	0	1,500	6,510	6,330	6,150
Total Debt Service							
<u>Debt Issued in FY2022</u>							
Current Interest Bonds		0	0	60,000	60,000	56,400	52,800
Outstanding		0	0	0	0	3,600	3,600
Principal Payments		0	0	1,500	2,910	2,730	2,550
Interest Payments		0	0	1,500	6,510	6,330	6,150
Total Debt Service							
<u>Debt Issued in FY2023</u>							
Current Interest Bonds		0	0	60,000	60,000	56,400	52,800
Outstanding		0	0	0	0	3,600	3,600
Principal Payments		0	0	1,500	2,910	2,730	2,550
Interest Payments		0	0	1,500	6,510	6,330	6,150
Total Debt Service							
<u>Totals Debt Service on New G.O. Debt</u>							
Principal Payments	0	0	3,750	7,500	11,100	14,700	18,300
Interest Payments	0	1,563	4,594	7,375	9,910	12,265	14,440
Total Debt Service	0	1,563	8,344	14,875	21,010	26,965	32,740
Rate on Current Interest Bonds:							
Rate on Commercial Paper:							

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Debt Service on New General Obligation Debt

	2017	2018	2019	2020	2021	2022	2023
<u>Debt Issued in FY2017</u>							
Current Interest Bonds	0	0	0	0	0	0	0
Outstanding	0	0	0	0	0	0	0
Principal Payments	0	0	0	0	0	0	0
Interest Payments	0	0	0	0	0	0	0
Total Debt Service	0	0	0	0	0	0	0
<u>Debt Issued in FY2018</u>							
Current Interest Bonds	62,500	58,750	55,000	51,250	47,500	43,750	37,500
Outstanding	0	3,750	3,750	3,750	3,750	3,750	3,750
Principal Payments	1,875	3,638	3,413	3,188	2,963	2,738	2,513
Interest Payments	1,875	7,388	7,163	6,938	6,713	6,488	6,263
Total Debt Service	3,750	11,088	10,573	10,126	9,663	9,200	8,763
<u>Debt Issued in FY2019</u>							
Current Interest Bonds	62,500	58,750	55,000	51,250	47,500	43,750	37,500
Outstanding	0	3,750	3,750	3,750	3,750	3,750	3,750
Principal Payments	1,875	3,638	3,413	3,188	2,963	2,738	2,513
Interest Payments	1,875	7,388	7,163	6,938	6,713	6,488	6,263
Total Debt Service	3,750	11,088	10,573	10,126	9,663	9,200	8,763
<u>Debt Issued in FY2020</u>							
Current Interest Bonds	60,000	56,400	52,800	49,200	45,600	42,000	38,400
Outstanding	0	3,600	3,600	3,600	3,600	3,600	3,600
Principal Payments	1,800	3,492	3,384	3,276	3,168	3,060	2,952
Interest Payments	1,800	7,092	6,876	6,660	6,444	6,228	6,012
Total Debt Service	3,600	13,964	13,660	13,356	13,052	12,748	12,444
<u>Debt Issued in FY2021</u>							
Current Interest Bonds	60,000	56,400	52,800	49,200	45,600	42,000	38,400
Outstanding	0	3,600	3,600	3,600	3,600	3,600	3,600
Principal Payments	1,800	3,492	3,384	3,276	3,168	3,060	2,952
Interest Payments	1,800	7,092	6,876	6,660	6,444	6,228	6,012
Total Debt Service	3,600	13,964	13,660	13,356	13,052	12,748	12,444
<u>Debt Issued in FY2022</u>							
Current Interest Bonds	60,000	56,400	52,800	49,200	45,600	42,000	38,400
Outstanding	0	3,600	3,600	3,600	3,600	3,600	3,600
Principal Payments	1,800	3,492	3,384	3,276	3,168	3,060	2,952
Interest Payments	1,800	7,092	6,876	6,660	6,444	6,228	6,012
Total Debt Service	3,600	13,964	13,660	13,356	13,052	12,748	12,444
<u>Debt Issued in FY2023</u>							
Current Interest Bonds	60,000	56,400	52,800	49,200	45,600	42,000	38,400
Outstanding	0	3,600	3,600	3,600	3,600	3,600	3,600
Principal Payments	1,800	3,492	3,384	3,276	3,168	3,060	2,952
Interest Payments	1,800	7,092	6,876	6,660	6,444	6,228	6,012
Total Debt Service	3,600	13,964	13,660	13,356	13,052	12,748	12,444
<u>Totals Debt Service on New G.O. Debt</u>							
Principal Payments	0	1,875	3,750	7,500	11,100	14,700	18,300
Interest Payments	0	1,875	5,513	8,850	11,892	14,718	17,328
Total Debt Service	0	3,750	9,263	16,350	22,992	29,418	35,628

Rate on Current Interest Bonds: 6.00%
Rate on Commercial Paper: 3.00%

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Debt Service on Outstanding State Guaranteed Debt

	2017	2018	2019	2020	2021	2022	2023	2024
BFA \$20 million Bond								
Principal	0	0	0	0	0	0	0	0
Interest	695,000	695,000	695,000	695,000	695,000	695,000	695,000	695,000
Total	695,000	695,000	695,000	695,000	695,000	695,000	695,000	695,000
BFA Loan & Revenue Bond Programs (1)								
Balance	35,000,000	34,048,541	33,039,993	31,970,934	30,837,730	29,636,534	28,363,267	27,013,603
Principal	951,459	1,008,547	1,069,060	1,133,203	1,201,196	1,273,267	1,349,663	1,430,643
Interest	2,100,000	2,042,912	1,982,400	1,918,256	1,850,264	1,778,192	1,701,796	1,620,816
Payment	3,051,459	3,051,459	3,051,459	3,051,459	3,051,459	3,051,459	3,051,459	3,051,459
Qualified School Construction Bonds								
Principal	2,193,750	2,193,750	2,193,750	2,193,750	2,193,750	2,182,500	2,182,500	2,182,500
Interest (gross of tax credit)	1,237,915	1,119,671	1,001,428	883,185	764,942	647,002	529,365	411,729
Total	3,431,665	3,313,421	3,195,178	3,076,935	2,958,692	2,829,502	2,711,865	2,594,229
Total Outstanding State Guaranteed Debt								
Principal	3,145,209	3,202,297	3,262,810	3,326,953	3,394,946	3,455,767	3,532,163	3,613,143
Interest	4,032,915	3,857,584	3,678,828	3,496,441	3,310,206	3,120,194	2,926,161	2,727,545
Total	7,178,124	7,059,881	6,941,638	6,823,395	6,705,152	6,575,962	6,458,325	6,340,688

(1) Assumes level debt service with the following parameters:
Principal* 35,000,000
Number of Years 20
Interest Rate 6.0%
Annual Payments 3,051,459

* Includes \$32.7 million of BFA loans and \$2.3 million of BFA revenue bonds

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Debt Service on State Guaranteed Debt to be Issued

	2017	2018	2019	2020	2021	2022	2023	2024
Issuances in FY2017 (1)								
Balance		34,840,000	33,892,890	32,888,953	31,824,781	30,696,758	29,501,053	28,233,606
Principal		947,110	1,003,937	1,064,173	1,128,023	1,195,705	1,267,447	1,343,494
Interest		2,090,400	2,033,573	1,973,337	1,909,487	1,841,805	1,770,063	1,694,016
Total Debt Service		3,037,510	3,037,510	3,037,510	3,037,510	3,037,510	3,037,510	3,037,510
Issuances in FY2018 (1)								
Balance			34,840,000	33,892,890	32,888,953	31,824,781	30,696,758	29,501,063
Principal			947,110	1,003,937	1,064,173	1,128,023	1,195,705	1,267,447
Interest			2,090,400	2,033,573	1,973,337	1,909,487	1,841,805	1,770,063
Total Debt Service			3,037,510	3,037,510	3,037,510	3,037,510	3,037,510	3,037,510
Issuances in FY2019 (1)								
Balance				34,740,000	33,795,608	32,794,553	31,733,435	30,608,650
Principal				944,392	1,001,055	1,061,118	1,124,785	1,192,273
Interest				2,084,400	2,027,737	1,967,673	1,904,006	1,836,519
Total Debt Service				3,028,792	3,028,792	3,028,792	3,028,792	3,028,792
Issuances in FY2020 (1)								
Balance					11,840,000	11,518,135	11,176,958	10,815,310
Principal					321,865	341,177	361,648	383,347
Interest					710,400	691,088	670,617	648,919
Total Debt Service					1,032,265	1,032,265	1,032,265	1,032,265
Issuances in FY2021 (1)								
Balance						11,840,000	11,518,135	11,176,958
Principal						321,865	341,177	361,648
Interest						710,400	691,088	670,617
Total Debt Service						1,032,265	1,032,265	1,032,265
Total State Guaranteed Debt to be Issued								
Principal	0	947,110	1,951,047	3,012,501	3,515,116	4,047,888	4,290,761	4,548,207
Interest	0	2,090,400	4,123,973	6,091,311	6,620,961	7,120,454	6,877,580	6,620,135
Total Debt Service	0	3,037,510	6,075,020	9,103,811	10,136,077	11,168,342	11,168,342	11,168,342
Total Outstanding and Future Issuances of State Guaranteed Debt (2)								
Principal	3,145,209	4,149,407	5,213,856	6,339,454	6,910,062	7,503,656	7,822,925	8,161,350
Interest	4,032,915	5,947,984	7,802,801	9,587,752	9,931,166	10,240,648	9,803,742	9,347,679
Total Debt Service	7,178,124	10,097,391	13,016,658	15,927,206	16,841,228	17,744,303	17,626,667	17,509,030

(1) Assumes level debt service with the following parameters:

Number of Years 20
Interest Rate 6.0%

(2) Includes total Outstanding Guaranteed Debt Service

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Assumptions to Sensitivity Case 1- Issuance of \$62.5 Million Annually in FY 2018-19 and \$60 Million Annually in FY 2020-23; Revenue Declines 1% Annually After FY17
School Building Aid Bonds Included

- (1) Includes issuance of \$50.93 million Refunding Bonds (to refund \$53.775 million of outstanding GO bonds), \$63.43 million of New Money Bonds in November 2016, and \$3.9 million of New Money Bonds in July 2016, resulting in General Fund net issuance of \$64.485 million.
- (2) \$62.5 million of current interest bonds issued annually in FY 2018 through 2019 and \$60 million in FY 2020 through 2023 at an interest rate of 5%, with 60% of the principal amortized in equal payments over the first ten years and 40% of the principal amortized in equal payments over the second ten years.
- (3) Ending Outstanding Debt represents total net General Fund Debt to be paid from General Fund Unrestricted Revenues and includes school building aid debt paid for with the Education Trust Fund ("ETF") M&R tax revenue allocation.
- (4) General Fund Unrestricted Revenues reflect actual revenues for FY 2016, with the ETF portion of meals and room tax revenues designated for the debt service on school building aid bonds added; revenue projections for FY 2017 is derived from Governor's budget. Revenues are assumed to decline t 1.0% in each of fiscal years 2018 through 2023.
- (5) Total Personal Income - source: U.S. Department of Commerce, Bureau of Economic Analysis for 2015 figure of \$74,388 million. Assumes 3.6% growth annually thereafter.
- (6) Population source: US Census Bureau 2016 figure of 1,334,795. Assumes 0.2% growth annually thereafter.
- (7) For certain sensitivities, state guaranteed debt that is added to Net General Fund Debt includes the outstanding \$24.1 million of Qualified School Construction Bonds (QSCBs) and BFA debt totalling \$55.0 million at June 30, 2016.
- (8) Debt Service includes State guaranteed debt outstanding or to be issued for the following: local Superfund sites, BFA, and PDA . Excludes water pollution control, local landfills and local school guaranteed debt (with exception of QSCBs). Assumes level debt service over 20 years at 6.00% for new State guaranteed debt.
\$34.84 million is issued in each of FY 2018 and 2019, \$37.74 million in 2020 and \$11.84 million in each of FY 2021 and 2022.
Estimated authorized but unissued State guaranteed debt of \$128.1 million includes:
\$20 million for local Superfund sites; \$59.2 million for BFA and \$48.9 million for Pease.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Sensitivity Case I: Issuance of \$62.5 Million Annually in FY 2018-19 and \$60 Million Annually in FY 2020-23; 1% Annual Revenue Declines After FY 2017
School Building Aid Bonds Included

	Actual 2016	Projected 2017	2018	2019	2020	2021	2022	2023	TOTAL 2017-2023
Net General Fund Debt (000's)									
Beginning Outstanding		\$693,732	\$691,765	\$686,389	\$676,059	\$662,679	\$656,270	\$650,873	
Issuances (1)(2)		\$64,485	\$62,500	\$62,500	\$60,000	\$60,000	\$60,000	\$60,000	\$429,485
Retirements:		66,452	67,876	69,080	65,880	55,310	50,697	41,511	416,805
New Debt (2)		0	0	3,750	7,500	11,100	14,700	19,300	55,350
Total Retirements		\$66,452	\$67,876	\$72,830	\$73,380	\$66,410	\$65,397	\$59,811	\$472,455
Net New Debt		(\$1,967)	(\$5,376)	(\$10,330)	(\$13,380)	(\$6,410)	(\$5,397)	\$189	(\$42,670)
Ending Outstanding (3)	\$693,732	\$691,765	\$686,389	\$676,059	\$662,679	\$656,270	\$650,873	\$651,062	(\$42,670)
Existing Debt Service (000's) (1)	\$112,780	\$97,567	\$93,679	\$91,534	\$85,110	\$71,601	\$64,745	\$53,276	
New Debt Service (000's) (2)	0	0	1,563	\$8,344	14,875	21,010	26,965	32,740	
Total Debt Service (000's)	\$112,780	\$97,567	\$95,241	\$99,878	\$99,985	\$92,611	\$91,710	\$86,016	
General Fund Unrestricted Revenues (000's)(4)	\$1,541,952	\$1,513,928	\$1,498,499	\$1,483,229	\$1,468,103	\$1,450,359	\$1,435,696	\$1,420,379	
Debt Service as a Percent of Revenues	7.3%	6.4%	6.4%	6.7%	6.8%	6.4%	6.4%	6.1%	
Total Personal Income (000,000's) (5)	77,066	79,840	82,715	85,692	88,777	91,973	95,284	98,714	
Debt to Personal Income	0.9%	0.9%	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	
Population (000's) (6)	1,335	1,337	1,340	1,343	1,346	1,348	1,351	1,354	
Debt Per Capita	\$520	\$517	\$512	\$503	\$493	\$487	\$482	\$481	

Footnotes explained on page 2.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Assumptions to Sensitivity Case II: Issuance of \$62.5 Million Annually in FY 2018-19 and \$60 Million Annually in FY 2020-23; Interest Rates Increase in FY 2018
School Building Aid Bonds Included

- (1) Includes issuance of \$50.93 million Refunding Bonds (to refund \$53.775 million of outstanding GO bonds), \$63.43 million of New Money Bonds in November 2016, and \$3.9 million of New Money Bonds in July 2016, resulting in General Fund net issuance of \$64.485 million.
- (2) \$62.5 million of current interest bonds issued annually in FY 2018 through 2019 and \$60 million in FY 2020 through 2022 at an interest rate of 6%, with 60% of the principal amortized in equal payments over the first ten years and 40% of the principal amortized in equal payments over the second ten years.
- (3) Ending Outstanding Debt represents total net General Fund Debt to be paid from General Fund Unrestricted Revenues and includes school building aid debt paid for with the Education Trust Fund ("ETF") M&R tax revenue allocation.
- (4) General Fund Unrestricted Revenues reflect actual revenues for FY 2016, with the ETF portion of meals and room tax revenues designated for the debt service on school building aid bonds added; revenue projections for FY 2017 through 2019 are derived from Governor's budget. Revenues are assumed to grow 12.00% in each of fiscal years 2020 through 2023.
- (5) Total Personal Income - source: U.S. Department of Commerce, Bureau of Economic Analysis for 2015 figure of \$74,388 million. Assumes 3.60% growth annually thereafter.
- (6) Population - source: U.S. Census Bureau for 2016 figure of 1,334,795. Assumes 0.2% growth annually thereafter.
- (7) For certain sensitivities, state guaranteed debt that is added to Net General Fund Debt includes the outstanding \$24.1 million of Qualified School Construction Bonds (QSCBs) and BFA debt totalling \$55.0 million at June 30, 2016.
- (8) Debt Service includes State guaranteed debt outstanding or to be issued for the following: local Superfund sites, BFA, and PDA . Excludes water pollution control, local landfills and local school guaranteed debt (with exception of QSCBs). Assumes level debt service over 20 years at 6.00% for new State guaranteed debt.
\$34.84 million is issued in each of FY 2018 and 2019, \$37.74 million in 2020 and \$11.84 million in each of FY 2021 and 2022.
Estimated authorized but unissued State guaranteed debt of \$128.1 million includes:
\$20 million for local Superfund sites; \$59.2 million for BFA and \$48.9 million for Pease.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Sensitivity Case II: Issuance of \$62.5 Million Annually in FY 2018-19 and \$60 Million Annually in FY 2020-23; Interest Rates Increased in FY 2018
School Building Aid Bonds Included

	Actual 2016	Projected						TOTAL 2017-2023	
		2017	2018	2019	2020	2021	2022		2023
Net General Fund Debt (000's)		\$693,732	\$691,765	\$686,389	\$676,059	\$662,679	\$656,270	\$650,873	\$693,732
Beginning Outstanding		\$64,485	\$62,500	\$62,500	\$60,000	\$60,000	\$60,000	\$60,000	\$429,485
Issuances (1)(2)		66,452	67,876	69,080	65,880	55,310	50,697	41,511	416,805
Retirements:		0	0	3,750	7,500	11,100	14,700	18,300	55,350
Existing Debt (1)		0	0	0	0	0	0	0	0
New Debt (2)		0	0	0	0	0	0	0	0
Total Retirements		\$66,452	\$67,876	\$72,830	\$73,380	\$66,410	\$65,397	\$59,811	\$472,155
Net New Debt		(\$1,967)	(\$5,376)	(\$10,330)	(\$13,380)	(\$6,410)	(\$5,397)	\$189	(\$42,670)
Ending Outstanding (3)		\$693,732	\$686,389	\$676,059	\$662,679	\$656,270	\$650,873	\$651,062	\$651,062
Existing Debt Service (000's) (1)		\$112,780	\$93,679	\$91,534	\$85,110	\$71,601	\$64,745	\$53,276	\$53,276
New Debt Service (000's) (2)		0	1,875	\$9,263	16,350	22,992	29,418	35,628	35,628
Total Debt Service (000's)		\$112,780	\$95,554	\$100,797	\$101,460	\$94,593	\$94,163	\$88,904	\$88,904
General Fund Unrestricted Revenues (000's)(4)		\$1,541,952	\$1,551,011	\$1,584,603	\$1,615,644	\$1,644,549	\$1,677,032	\$1,709,370	\$1,709,370
Debt Service as a Percent of Revenues		7.3%	6.2%	6.4%	6.3%	5.8%	5.6%	5.2%	5.2%
Total Personal Income (000,000's) (5)		77,066	82,715	85,692	88,777	91,973	95,284	98,714	98,714
Debt to Personal Income		0.9%	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%
Population (000's) (6)		1,335	1,340	1,343	1,346	1,348	1,351	1,354	1,354
Debt Per Capita		\$520	\$512	\$503	\$493	\$487	\$482	\$481	\$481

Footnotes explained on page 2.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Effect of State Guaranteed Bonds and Declining Revenues on Debt Ratios

	Actual 2016	Projected					TOTAL 2017-2023			
		2017	2018	2019	2020	2021		2022	2023	
Net General Fund Debt (000's)										
Beginning Outstanding (7) (8)		\$772,796	\$767,684	\$792,999	\$812,295	\$827,315	\$825,835	\$824,775	\$60,000	\$429,485
G.O. Issuances		\$64,485	\$62,500	\$62,500	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	128,100
State Guaranteed Issuances (7) (8)		0	34,840	34,840	34,740	11,840	11,840	11,840	0	472,155
Retirements G.O. Debt		66,452	67,876	72,830	73,380	66,410	65,397	59,811	7,823	41,085
State Guaranteed Debt (8)		3,145	4,149	5,214	6,339	6,910	7,504	7,823	(\$1,061)	\$513,240
Total Retirements		\$69,597	\$72,025	\$78,044	\$79,719	\$73,320	\$72,901	\$67,634	(\$1,061)	\$44,345
Net New Debt		(\$5,112)	\$25,315	\$19,296	\$15,021	(\$1,480)	(\$1,061)	(\$7,634)	(\$1,061)	\$44,345
Ending Outstanding		\$772,796	\$792,999	\$812,295	\$827,315	\$825,835	\$824,775	\$817,141	\$86,016	\$86,016
G.O. Debt Service (000's)		\$112,780	\$95,241	\$99,878	\$99,985	\$92,611	\$91,710	\$91,710	17,627	103,642
State Guaranteed Debt Service (000's) (8)		7,858	10,097	13,017	15,927	16,841	17,744	17,744	109,454	\$1,420,379
Total Debt Service (000's)		120,638	104,745	112,895	115,912	109,452	109,454	109,454	\$1,435,696	7.3%
General Fund Unrestricted Revenues (000's) (4)		\$1,541,952	\$1,498,499	\$1,483,229	\$1,468,103	\$1,450,359	\$1,435,696	\$1,420,379	7.6%	7.3%
Debt Service as a Percent of Revenues		7.8%	6.9%	7.0%	7.6%	7.5%	7.6%	7.6%	0.9%	0.8%
Total Personal Income (000,000's) (5)		\$77,066	\$79,840	\$82,715	\$85,692	\$91,973	\$95,284	\$98,714	1,348	\$613
Debt to Personal Income		1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	1,351	\$604
Population (000's) (6)		1,335	1,337	1,340	1,343	1,348	1,351	1,354		
Debt Per Capita		\$579	\$574	\$605	\$615	\$613	\$611	\$604		

Footnotes explained on page 2.